

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE
TRADEMARK TRIAL AND APPEAL BOARD

Serial No. 76/613881

mine design, a d.b.a. of Amal Flores
v.
Votivo, Ltd. And Votivo, LLC

Opposition No. 91178747

Plaintiff mine design's Combined 1) Reply To Votivo's Opposition
To mine design's Motion for Summary Judgment and
2) Opposition to Votivo's Cross Motion For Summary Judgment



04-04-2008

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I. Introduction

Mine Design (hereinafter m.design) opposed application Serial No. 76/613881 (hereinafter "application") to register the term "mandarine"¹ in connection with scented bath salts and hand lotion, which application m.design respectfully submits was erroneously allowed by the Trademark Office. m.design moved for summary judgment on the issue of genericness, requesting the Board consider the law of genericness as it is developing in the Courts of Appeals for several Circuits, including the Second and the Third Circuits. In particular, m.design requested the legal analysis and policy issues discussed in *A.J. Canfield Co. v. Honickman*, 1 U.S.P.Q.2d 1364, 1378 (3d Cir. 1986) be considered by the Board in connection with the registrability of the term "mandarin" in connection with scented bath salts and scented hand lotion.

Oddly, while m.design's brief mainly focuses on the primary meaning test and the reasoning in *Canfield* and how they apply to the present case, a discussion of *Canfield* is conspicuous by its absence from Votivo's Memorandum in Opposition to m.design's motion for summary judgment. Not a paragraph, not a sentence, not a word addressing *Canfield* can be found in Votivo's Memorandum. Votivo has no answer to *Canfield*, a case that would hold Votivo's mark generic ab initio as a matter of law.

Lacking an answer on the merits, Votivo attempts to distract the court from the issue at hand with a massive volume of irrelevant documents filed in support of a "cross-motion" for summary judgment, alleging lack of standing and *res judicata*. m.design respectfully submits Votivo's cross motion for summary judgment should be denied as it is procedurally improper and substantively untenable.

Motions for summary judgment may only address issues properly raised in the pleadings. TBMP § 528.07(b). In its cross-motion for summary judgment, Votivo alleges m.design lacks standing to contest Votivo's application. However the issue of standing was not raised by Votivo in the pleadings, and, accordingly, cannot be addressed by way of a motion for summary judgment. Votivo's motion also makes a half-hearted attempt to argue *res judicata* based on previous litigation between

¹ The terms "mandarin" and "mandarine" are use interchangeably.

the parties. Again, these issues were not raised in Votivo's answer, which instead pleaded *res judicata* based on Votivo's existing "Mandarine" registrations, an allegation that, incidentally, is contrary to law. *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 160 U.S.P.Q. 715 (CCPA 1969).

In addition to being procedurally improper, the arguments raised by Votivo in its cross motion for summary judgment lack merit. Votivo attempts to make much of the fact that Judgment was entered against m.design in Votivo v. Mine Design I (USDC CD Cal., Case No. CV 03-6017 involving the terms "red currant" and "soku lime"). However the case was not decided on the merits, but was rather a default judgment. Mr. Flores, a non-attorney, was attempting to defend himself pro se in the case, and was held in default by the court after accidentally missing the first scheduling conference. Undersigned entered the case at the time the court was entering the default judgment. The second case Votivo v. Mine Design II (USDC CD Cal. CV 05-2942 involving the term "tall grass") was dismissed with prejudice during the discovery phase, after undersigned made Votivo's counsel aware of *Canfield*, and that continued prosecution of the infringement action with knowledge that the alleged mark was invalid could result in Votivo owing m.design attorney's fees under the "exceptional case" standard provided in the Lanham Act. In any event, the term "mandarin" was not asserted by Votivo in either case, nor did either case involve scented bath salts or scented. Thus neither case could give rise to *res judicata* in connection with the present opposition.

Votivo also argues that because of the settlement agreement between the parties and the injunction entered by the District Court m.design lacks standing to oppose Votivo's application. However, as explained in section III.B.2.c. below, when properly interpreted in light of the settlement agreement between the parties, the injunction only precludes m.design from using "trademarks" listed in the injunction, and then, only while said trademarks remain registered with the United States Patent and Trademark Office ("PTO"). In the present opposition m.design raises the issue whether "mandarin" can serve as a trademark in connection with scented bath salts and scented hand lotion. If the Board herein decides that the term cannot serve as a trademark, pursuant to the settlement agreement m.design would be free to use the term in connection with the sale of said items.

If anything, the two previous disputes between the parties regarding generic fragrance names prove that m.design does have standing to oppose the present application. If there is anyone with a "real interest" in seeing that Votivo does not obtain further registrations for generic fragrance names, that person is Mr. Flores. Accordingly, Votivo's cross motion for summary judgment should be denied, and the present opposition sustained because the term "mandarin" is generic and thus not registrable under the Lanham Act in connection with scented bath salts and scented hand lotion.

II. Statement of Material Facts In Dispute

Plaintiff respectfully submits the following facts are either immaterial, or, if material, are in dispute.

	Fact Alleged By Votivo	Evidence That Votivo Has Not Carried Its Burden, Or That Fact Alleged By Votivo Is Incorrect Or False
1.	"During the pendency of Mine Design I and II, VOTIVO discovered that Mine Design was also selling products that infringed additional federally registered trademark owned by VOTIVO, including MANDARINE." Votivo Memorandum p. 4, citing Edmiston Decl., Ex. 3.	<p>Exhibit 3 to the Edmiston Declaration, which is cited in support of the allegation, is allegedly a copy of the Findings of Facts and Conclusions of Law in Case No. CV 03-6017-DT;</p> <p>Nowhere does Ex. 3 to the Edmiston Declaration support Votivo's allegation that Mine Design was selling products that infringed a federally registered trademark owned by Votivo for "mandarine."</p> <p>Votivo has presented no evidence to support this allegation, and thus has failed to carry its burden of showing that the issue is either true or not genuinely in dispute.</p> <p>Paragraph 6 of the "Finding of Facts" in said document refers to "Red Currant" and "Soku Lime" and certain Registration Nos. for said alleged marks, and defines these as the "Votivo Trademarks;" however no mention is made</p>

		<p>of the term “mandarine;”</p> <p>Paragraph 14 of the “Finding of Facts” in said document states: “Since filing this lawsuit, Votivo has discovered that . . . Defendant has been marketing and selling products that infringe other registered trademarks owned by Votivo in addition to the Red Currant and Soku Lime marks.” Again Paragraph 14 makes no mention of the term “mandarine.” On information and belief, the “other registered trademarks” means those for the term “tall grass,” for which Votivo had by then filed suit against m.design in what Votivo calls Mine Design II; m.design’s position is supported by Paragraph 22 of said Findings of Fact, which refers to “Votivo’s Red Currant, Soku Lime, and Tall Grass registered trademarks;” m.design’s position is further supported by Paragraph 8 in the Conclusions of Law section of said document, which refers to Votivo’s “(a) Votivo’s Red Currant trademark; (b) Votivo’s Soku Lime trademark; (c) Votivo’s Tall Grass trademark; and (d) any and all other registered trademarks owned by Votivo.”</p>
2.	<p>Votivo alleges that the Permanent Injunction identifies that the other marks Votivo had allegedly discovered m.design was infringing include the Mandarin marks. Votivo Memorandum p. 5, n. 7.</p>	<p>Votivo has presented no evidence to support this allegation, and thus has failed to carry its burden of showing that the issue is either true or not genuinely in dispute.</p> <p>Exhibit A to the Permanent Injunction is a laundry list of Votivo Registrations, entered pursuant to ¶ 8.(d) of the document in Edmiston Decl. Ex. 3, Case No. 03-6017-</p>

		DT(Ex), Findings of Fact and Conclusions of Law (see Votivo Memorandum p. 6). Notably, ¶ 8.(d) states that an injunction should be entered to prohibit Defendant from infringing “any and all other registered trademarks owned by VOTIVO.” No evidence has been presented by Votivo that any of the terms in Ex. A to the Permanent Injunction was being used by m.design.
3.	Votivo alleges that “Notably, as of the ‘Effective Date’ (May 5, 2006) of the Settlement Agreement, VOTIVO’s Trademark Application for Mandarine in connection with bath salts and hand lotion had been pending for over one and one-half years, and therefore is clearly included within the scope of the release.” Votivo Memorandum p. 8, n. 9 (citing Edmiston Decl., Exs. 11, 20).	The present cause of action was not “included within the scope of the release.” The present application did not publish until Jun. 5, 2007. See Edmiston Decl., Ex. 23. The present cause of action for opposition to the registration could not have accrued before the publication date of the present application. Votivo has admitted that the publication date of the present application was later than the “Effective Date” of the Settlement Agreement (May 5, 2006, according to Votivo), and that the agreement released claims only “up until the EFFECTIVE DATE.” Votivo Memorandum p. 8 (citing paragraph 7 of Ex. 11 to the Edmiston Decl.).
4.	“MANDARINE is plainly suggestive as applied by VOTIVO to the products.” Votivo Memorandum p. 9.	The allegation is belied by the 2(f) status of the present application. See Votivo Memorandum at 11. See also Edmiston Decl., Ex. 21 (Office Action refusing registration pursuant to Section 2(e)(1)); Edmiston Decl., Ex. 22 (Response to Office Action alleging acquired distinctiveness). The allegation is further belied by the 2(f) registration of Votivo’s Reg. Nos. 2,728,815 and 2,720,908. (See Votivo

		<p>Memorandum at 10 and Edmiston Decl., Exhs. 18 and 19.)</p> <p>The allegation is further disputed in light of the evidence submitted in the Candeloro Decl. in support of m.design's motion for summary judgment.</p> <p>The allegation is further disputed in light of case law, including <i>Canfield</i>, <i>American Greeting</i>, <i>Gyulay</i> and <i>Andes Candies</i>, all of which addressed and dismissed similar arguments.</p>
5.	<p>"As a result of the popularity of the goods, the Mandarin Marks have come to be associated exclusively with VOTIVO and serve to distinguish VOTIVO's products from the goods of other companies."</p> <p>Votivo Memorandum p. 10 (citing Caldwell, Jr. Decl., ¶ 7; Buckley Decl., ¶ 6).</p>	<p>The fact is irrelevant, as no amount of secondary meaning will make a generic term registrable under the Lanham Act;</p> <p>m.design objects to the admissibility of both declarations (Caldwell, Jr. Decl. and Buckley Decl.);</p> <p>Both declarations should be stricken;</p> <p>Both declarations should be given no weight, as they are self serving declarations from Votivo employees;</p> <p>Improper expert testimony; Not based on evidence; If based on evidence, evidence not of record as required by the Rules; Hearsay;</p> <p>Even if true, statements fail to distinguish "de facto" vs. "de jure" secondary meaning;</p>
6.	<p>"The Mine Design I and II cases involved . . . (2) an express final judgment on the merits of the claim (including findings of fact and conclusions of law establishing ownership, use, distinctiveness, and</p>	<p>Votivo has presented no evidence to support this allegation, and thus has failed to carry its burden of showing that the issue is either true or not genuinely in dispute.</p> <p>The evidence listed in rebuttal to the first contested fact in the present table further contradicts this allegation, and are</p>

	<p>validity of VOTIVO's MANDARINE registrations, and a permanent injunction prohibiting Mine Design from using MANDARINE for home and personal care products); . . .” Votivo Memorandum p. 16.</p>	<p>hereby incorporated by reference.</p> <p>m.design respectfully notes that the complaint in Votivo v. Mine Design I only alleges infringement of “red currant” and “soku lime” and the complaint in Votivo v. Mine Design II only alleges infringement of “tall grass.” See also Votivo Memorandum p. 4, n. 5 and 6 admitting as much.</p>
7.	<p>“The prima facie case for demonstrating issue preclusion is set forth plainly in the Mine Design I Court’s Findings of Fact, Conclusions of Law, and Permanent Injunction (establishing, as between Mine Design and VOTIVO, ownership, validity, distinctiveness and usage in favor of VOTIVO for MANDARINE in connection with all home and personal care products).” Votivo Memorandum p. 17.</p>	<p>Votivo has presented no evidence to support this allegation, and thus has failed to carry its burden of showing that the issue is either true or not genuinely in dispute.</p> <p>In addition to the evidence used by m.design to rebut the allegations in rows 1 and 6 of the present table, all of which are incorporated herein by reference, m.design respectfully notes that Votivo v. Mine Design I was a default judgment, and thus none of the issues alleged by Votivo were “actually litigated;” see Votivo v. Mine Design I Court’s Conclusions of Law 4, 5 and 6: “4. For the reasons set forth herein and in the July 15 Order, the Court finds and concludes that entry of a default judgment against Defendant is warranted and appropriate. 5. For purposes of a default judgment, the well-pled allegations of the plaintiff’s complaint are taken as true. . . . If a defendant is in default, the defendant’s liability is collectively established and the factual allegations in the complaint, except those relating to damages, are accepted as true. 6. Based upon the foregoing, the Court finds and</p>

		concludes . . .”. Edmiston Dec. Ex. 3, Case No. 03-6017-DT(Ex), Findings of Fact and Conclusions of Law, 5-6 (citations omitted).
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III. Argument

A. Reply In Support of m.design’s Motion For Summary Judgment That “Mandarin” Is Generic In Connection With Scented Bath Salts and Hand Lotion

m.design’s argument for the genericness of the term “mandarin” in connection with scented bath salts and scented hand lotion under the primary significance test and the law and reasoning of *Canfield* is presented in m.design’s opening brief. Here m.design only addresses and rebuts the arguments presented in Votivo’s Memorandum.

In its memorandum in opposition to m.design’s motion for summary judgment Votivo merely rehashes arguments that have been found non-persuasive by every court that has considered them.

For example, at page 19 of its Memorandum, Votivo argues:

Opposer disingenuously refers to the mark as “*mandarin scented bath salts*,” the mark at issue in this opposition is MANDARINE. The relevant inquiry is whether the mark MANDARINE is generic for *bath salts and hand lotion*; not whether “*mandarin-scented bath salts*” is generic for *bath salts and hand lotion*.

Contrary to Votivo’s argument, whether a term is generic is not determined in the abstract, but in relation to the goods or services for which registration is sought, the context in which it is being used on or in connection with the goods or services, and the possible significance that the term would have to the average purchaser of the goods or services because of the manner of its use. *See, e.g., In re Bright-Crest, Ltd.*, 204 USPQ 591, 593 (TTAB 1979). Moreover, if the mark is generic of any of the goods or services for which registration is sought, it is proper to refuse registration as to the entire class. *See, e.g., In re Analog Devices Inc.*, 6 USPQ2d 1808 (TTAB 1988), *aff’d* without Pub. Op., 10 USPQ2d 1879 (Fed. Cir. 1989).

Accordingly, not only would it be entirely proper, but indeed it is required, to consider whether the term “mandarin” when applied to the goods at issue would be considered a class of goods by the

relevant public, *i.e.*, whether mandarin scented bath salts and/or mandarin scented hand lotion would indicate a type of goods to consumers.

Votivo objects to the issue being framed in this manner because once the issue is properly framed it becomes irrefutable that “mandarin scented bath salts” and “mandarin scented hand lotion” would be considered their own genus of goods. In fact, as discussed in m.design’s opening brief, that is the conclusion *Canfield* and *Genesee Brewing* reached, and why those cases reached the conclusion that when a term is functionally descriptive of a main distinguishing characteristic of a product and competitors need the term to describe their own products, the term is generic *ab initio* as a matter of law. Votivo completely fails to address *Canfield*, *Genesee Brewing* and the applicability of the primary significance test to the facts of the present case.

Votivo also argues that it is “odd” that m.design submitted the definition of mandarin and a photograph of mandarin oranges in light syrup and that these exhibits “are relevant to show only that MANDARINE could be generic in connection with *fruit*.” Votivo Memorandum at 20 (emphasis in original). Regarding the submission of the exhibits, m.design notes that it was forced to do so by Votivo’s unwillingness to admit the obvious fact that mandarin is a fruit in its Answer to paragraphs 9, 11 and 12 of m.design’s Complaint.

Regarding its argument that the exhibits are only relevant to show that MANDARINE could be generic in connection with fruit merely rehashes the same unpersuasive argument made by every applicant in Votivo’s position. *See, e.g., Gyulay*, 3 USPQ2d 1009, 1010 (Fed. Cir 1987) (where applicant argued: “The product is not APPLE PIE. It is not used in making APPLE PIE. It does not smell like APPLE PIE. It does not taste like APPLE PIE. It is just a catchy name which identifies the product as applicant’s product.”); *Canfield*, 1 USPQ at 1369 (“Fudge, Canfield reminds us, is made of sugar, butter, chocolate and cocoa, none of which are contained in diet soda. Because diet soda obviously has neither the ingredients nor the texture of chocolate fudge, Canfield argues that ‘chocolate fudge’ communicates only that the sensation of drinking Canfield’s soda is similar in some way to the sensation of eating chocolate fudge.”); *In re Andes Candies*, 178 USPQ 156, 157 (CCPA 1973); *In re American Greetings*, 226 USPQ 365 (TTAB 1985)(“Applicant’s argument is basically that

the common perception of the word 'APRICOT' is not that of a scent, and that prospective purchasers of applicant's dolls would regard 'APRICOT' as either the trademark for the doll or as the doll's name, and would not immediately perceive of 'APRICOT' as indicating or describing any characteristic of the dolls."); *In re Ricci-Italian Silversmiths Inc.*, 16 USPQ2d 1727, 1729 (TTAB 1990)("Applicant also argues that ART DECO has taken on a different meaning today from its original sense, and does not identify a particular style because it is now used to describe designs that would not have been called ART DECO in the 1920's. As a result, applicant asserts that today the term merely suggests a look of sleek elegance associated with the wealth and sophistication of the 1920's and 1930's.").

For obvious reasons, the argument always fails. As succinctly stated in *Gyulay*, "The Board implicitly found that purchasers would be 'immediately conveyed' knowledge of the scent of apple pie on viewing the term APPLE PIE in association with potpourri, a product sold for its scent." *Gyulay*, 3 USPQ2d at 1010. *Gyulay* concluded "It is thus sufficient that the term [APPLE PIE] describes the scent, when potpourri is sold for and by its scent. Clear error has not been shown in the Board's finding that the term APPLE PIE conveys the key characteristic of the potpourri, its scent." *Id.*

Votivo also criticizes m.design's other exhibits as "equally immaterial to its genericness argument . . . because they refer to goods unrelated to those identified by the Applicant in its trademark application." Votivo Memorandum at 20-21. Contrary to Votivo's argument, the exhibits are material, probative and relevant of the public's understanding of the term "mandarin" when used in connection with the sale of goods other than oranges. *See, e.g., Ricci-Italian*, 16 USPQ2d at 1729 ("In determining whether or not a term is generic or incapable of distinguishing an applicant's goods, one must determine whether members of the relevant public primarily use or understand the term to refer to a genus of good or services. Evidence of the public's understanding of the term may be obtained from any competent source . . .")(citations omitted).

Votivo further argues that "Opposer's remaining exhibits (relating to bath salts) do not reference the term MANDARINE at all, and should be given no weight." Votivo Memorandum at 21. The exhibits are relevant because they demonstrate that bath salts are categorized by fragrance name,

and, accordingly, a functionally descriptive fragrance name defines a type, category or genus of bath salts.

Votivo argues that “Opposer’s reliance on Andes [Candies], Gyulay, and American Greetings is misplaced as those cases did not address the issue of genericness.” *Votivo Memorandum* at 21. m.design agrees that in *Andes Candies*, *Gyulay*, and *American Greetings* the terms were not denied registration based on genericness, but rather on descriptiveness and lack of proof of secondary meaning. m.design’s point, however, is that the cases did not go far enough. As explained in *Canfield* and *Genesee Brewing* (the two cases m.design does relies on, and which, oddly, *Votivo’s* Memorandum completely fails to address), terms like the present one should be held generic ab initio as a matter of law a) because they satisfy the primary significance test; and b) because absent a patent, competitors have a right to make the products having the characteristic the term describes and to use the term in connection with the sale of the product.

Next, *Votivo* devotes two pages of its memorandum on the untenable argument that the term is “suggestive.” *Memorandum* at 22-23. The argument is belied by the 2(f) grounds for the application. *See also In re Andes Candies Inc.*, 178 U.S.P.Q. 156, 157 (CCPA 1973) (“We think the only possible reaction of purchasers, upon being presented with CREME DE MENTHE chocolate wafers, is the expectation that the wafers will have a mint taste something like that of creme de menthe liqueur. . . . Appellant argues that its mark only *suggests* a flavor similar to that of the liqueur. . . . We think however that the mark *demand*s that, and only that, flavor.”); *Gyulay*, 3 U.S.P.Q.2d 1009, 1010 (“Clear error has not been shown in the Board’s finding that the term APPLE PIE conveys the key characteristic of the potpourri, its scent”); *American Greetings*, 226 U.S.P.Q. 365, 366 (TTAB 1985)(“we have little difficulty concluding that ‘APRICOT’ identifies the fact that applicant’s dolls are apricot scented and that this is a significant characteristic of the goods as far as purchasers are concerned”); *Canfield*, 1 U.S.P.Q.2d 1364, 1378 (“[f]lavors . . . have unique characteristics, and we can imagine no term other than ‘chocolate fudge’ that communicates the same functional information, namely, that the soda tastes of chocolate fudge . . .”).

Federal Trademark Registration is an important right, as it provides its holder with prima facie evidence of the validity of the registered mark and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate. 15 U.S.C. 1057(b). As explained by Judge Rich in *DeWalt, Inc. v. Magna Power Tool Corp.*, 129 U.S.P.Q. 275 (CCPA 1961):

The evidentiary value of a Principal Register registration under Section 7(b) of the statute [15 U.S.C. 1057(b)] makes it a potent weapon in litigation and this, plus the respect in which business [people] hold certificates of Federal registration, makes such a registration an encouragement to suits and other types of harassment which would be much less likely to occur in its absence.

DeWalt, 129 U.S.P.Q. at 281.

Given the weight accorded Federal Trademark Registrations by the courts and the general public, the U.S. Patent and Trademark Office should endeavor to limit, where possible, the registration of terms that are generic in connection with the goods and services specified in the application. m.design's motion for summary judgment should accordingly be granted.

B. Response In Opposition to Votivo's Cross-Motion For Summary Judgment

1. Votivo's Cross-Motion For Summary Judgment Is Procedurally Improper, Inter Alia, Because It Is Directed Solely To Issues Not Raised In Votivo's Answer

A party may not obtain summary judgment on an issue that has not been pleaded. TBMP § 528.07(b). Votivo, Ltd. filed an Answer that raised two defenses: failure to state a claim and estoppel based on Votivo's prior Reg. No. 2728815. Now, Votivo, Ltd. cross-moves for summary judgment based on lack of standing and res judicata based on the previous litigation between the parties. Neither ground was raised in Votivo, Ltd.'s Answer. Votivo, Ltd.'s motion for summary judgment should accordingly not be considered.

Votivo, LLC moved to be added and was added to the action by an order dated Feb. 8, 2008. However Votivo, LLC has yet to file an Answer. Accordingly, Votivo, LLC has also not raised any defenses and thus could not have raised a defense for which it moves for summary judgment. Votivo,

LLC's motion for summary judgment should accordingly also not be considered. Moreover, Votivo LLC has not timely filed an Answer in the present case and should be considered in default. Entry of default is accordingly respectfully requested for Votivo, LLC.

2. m.design Has Standing To Oppose The Present Application

a. Votivo Incorrectly Bases Its Argument That m.design Has No Standing To Oppose On Case Law Where Section 2(a) of the Lanham Act Was At Issue

Votivo grossly misstates and misapplies the law of standing while attempting to show that m.design does not have standing in the present case. In particular, Votivo's Memorandum misguidedly applies the test that would be used for an opposition under Section 2(a) of the Lanham Act (15 U.S.C. 1052(a))("immoral, deceptive, or scandalous matter which may disparage or falsely suggest a connection . . ."). m.design's opposition is not under Section 2(a) of the Lanham Act, as Votivo is well aware.

Votivo's misguided argument is evidenced, inter alia, at pages 14-15 of Votivo's Memorandum which states that m.design "cannot show that it 'possesses a trait or characteristic that is clearly and directly implicated by the opposed mark[;]'" that m.design "has also failed to offer any third-party evidence . . . that its belief of damage 'is not simply the opposer's point of view[;]'" and that m.design "presents no surveys or public opinion or petition evidence, nor affidavits from public interest groups representing the people allegedly sharing the damage caused by the mark." Votivo's Memorandum 14-15. Votivo's misapprehension as to the proper test to apply in the present case is further evidenced by the cases relied on by Votivo, including *Ritchie* and *McDermott*, both of which involved Section 2(a) of the Lanham Act.

In a case like the present one, where the issue is whether the term can function as a trademark, m.design respectfully submits the proper standard is that "damage" will be presumed or inferred when the mark sought to be registered is generic/descriptive of the goods of the opposer and the opposer is one who has an interest in using the generic/descriptive term in its business. *DeWalt, Inc. v. Magna Power Tool Corp.*, 129 U.S.P.Q. 275, 280 (CCPA 1961); TBMP § 309.03(b), 41-42 (when

descriptiveness or genericness of the mark is in issue, plaintiff may plead (and later prove) its standing by alleging that it is engaged in the sale or the same or related products or services (or that the product or service in question is within the normal expansion of plaintiff's business) and that the plaintiff has an interest in using the term descriptively in its business).

b. The Undisputed Facts Prove That m.design Has Standing to Oppose The Application

It is undisputed that m.design produces and sells certain goods that are listed in Votivo's application, namely scented bath salts. It is also undisputed that m.design has an interest that the term "mandarin" be freely available to describe his scented bath salts. Accordingly, m.design has standing to oppose the present application.

c. The Previous Litigations And Settlement Agreement Between The Parties Does Not Negate m.design's Standing To Oppose The Present Application

Votivo has apparently taken the position in its Cross Motion For Summary Judgment that m.design cannot have an interest in using the term "mandarin" descriptively on scented bath salts because m.design allegedly "cannot market bath salts using the name 'mandarin' without being in direct violation of the terms of the Permanent Injunction . . .". Votivo's Memorandum 14:6-8 (emphasis omitted).

Votivo's allegation requires an interpretation of the Default Judgment, Permanent Injunction and Settlement Agreement between the parties. Moore's Federal Practice 3D, 131.30[3][c][ii] – 131-106 (consent judgment interpreted like a contract).

Initially, m.design notes – as acknowledge in Votivo's Memorandum (pg. 6) – that Paragraph 8 of the Order and Judgment states that "a permanent injunction in the form requested by VOTIVO should be entered to prohibit Defendant . . . from *infringing* . . . (d) any and all other registered *trademarks* owned by VOTIVO." (emphasis added). The Permanent Injunction itself used broader language, namely, "1.d. *Using* any of the *terms* set forth on Exhibit "A" hereto . . .". (emphasis added). In other words, the Order specifies that the Injunction prohibits "infringement of trademarks," leaving the possibility for m.design to make non-infringing use of the trademarks (fair use, to cite an example)

and specifically uses the term “registered trademarks,” thus also permitting m.design to use terms that are not trademarks. The language of the Permanent Injunction, on the other hand, was broader, and it enjoined m.design from “using²” the “terms” listed in Exhibit “A”.

However, as Votivo itself admits, m.design dropped its appeal to the Ninth Circuit and the Judgment and Permanent Injunction where permitted to stand based on a Settlement Agreement entered between the parties. Votivo Memorandum p. 7. Accordingly, the Judgment and Permanent Injunction must be interpreted in light of the Settlement Agreement. Moore’s Federal Practice 3D, 131.30[3][c][ii] – 131-106 (consent judgment interpreted like a contract).

m.design agrees with Votivo that subsection (ii) of paragraph 3 of the Agreement is relevant to the discussion herein. However m.design disagrees with Votivo’s self serving interpretation of that clause. Paragraph 3 of the Agreement reads:³

3. Use of VOTIVO Registrations. MINE agrees that he will not . . . use . . . (ii) any of the trademarks set forth in the Permanent Injunction provided such trademarks remain registered with the United States Patent and Trademark Office.”

Subsection (ii) of Paragraph 3 of the Agreement recites that MINE agrees that he will not “ . . . use . . . (ii) any of the *trademarks* set forth in the Permanent Injunction provided such *trademarks* remain registered with the United States Patent and Trademark Office.” (Emphasis added.) In other words, the Agreement specifically refers to and explicitly narrows the language of the Permanent Injunction – from m.design not using the “terms” to m.design not using the “trademarks.”

² In fact the term “use” as used in the Agreement may be interpreted to mean “use as a trademark.” See, e.g., *DataNational Corp v. Bell South Corp.*, 18 USPQ2d 1862 (TTAB 1991), *aff’d*, 60 F.3d 1565, 35 USPQ2d 1554, 1557-59 (Fed. Cir. 1995) (the term “use” means use as a trademark). The issue need not necessarily be addressed by the Board to decide the issue of standing.

³ Subsection (i) of Paragraph 3 of the Agreement refers to the “VOTIVO Registrations,” a term that was defined in the “Recitals” portion of the Agreement, in particular the first recital, as “Reg. Nos. 2,720,906 and 2,720,907 for RED CURRANT, Reg. Nos. 2,717,257 and 2,717,256 for SOKU LIME, and Reg. Nos. 2,717,259 and 2,717,258 for TALL GRASS.” These were the registrations asserted by Votivo in the two litigations and are not at issue herein.

Accordingly, pursuant to the language in the Agreement modifying the Permanent Injunction, m.design may use terms listed in the Preliminary Injunction that are not a trademarks, and, for those that are trademarks, m.design may use them if such trademarks do not remain registered with the PTO.

m.design respectfully submits it is not necessary for the Board here to resolve whether the language of Paragraph 8 of the Order (“infringe . . . trademark”) or the language of the Permanent Injunction as modified by the Agreement between the parties (“use . . . trademark”) is controlling. It suffices for the purposes herein that the language in both refers to “trademarks” rather than “terms.” Accordingly, although the term “mandarine” is listed in Exhibit “A” to the Permanent Injunction, pursuant to the Agreement m.design may nevertheless use the term mandarin if the term cannot function as a trademark in connection with scented bath salts or scented hand lotion. And that is what this case is about – whether or not the term “mandarin” can serve as a trademark in connection with scented bath salts and scented hand lotion. m.design respectfully submits that if the Board determines that the term is generic and cannot function as a trademark in connection with scented bath salts or scented hand lotion, pursuant to the Agreement m.design would be free to use the term in connection with scented bath salts or scented hand lotion. Accordingly, m.design has standing in the present opposition.

m.design’s interpretation of the Agreement is further supported (over an interpretation, for example, that the statement is an admission that the terms listed in the Permanent Injunction are trademarks) because it is consistent with and gives meaning to Paragraph 4 of the Agreement, which states:

4. No Challenge to VOTIVO Registrations. MINE will not, directly or indirectly, alone or in association with others, initiate any proceeding challenging the protectability or validity of the VOTIVO Registrations.

Paragraph 4 strongly evidences that the parties understood there would be a challenge to the protectability and/or validity of certain of the terms Votivo alleged were trademarks, but not those that were actually asserted in the litigation (namely the “VOTIVO Registrations,” which, as explained *supra*, was defined in the agreement to mean “Reg. Nos. 2,720,906 and 2,720,907 for RED

CURRENT, Reg. Nos. 2,717,257 and 2,717,256 for SOKU LIME, and Reg. Nos. 2,717,259 and 2,717,258 for TALL GRASS”). Since the agreement expressly addresses what m.design would not challenge, it was understood by the parties that whatever was not expressly listed in Paragraph 4 was challengeable, including the term “mandarin.”

Votivo’s interpretation of the Agreement should be disfavored because it ignores the technical meaning of the term “trademark” used in the subsection 3(ii) of the Agreement and fails to address and give meaning to Paragraph 4 of the Agreement.

Moreover, because the Agreement ties m.design’s non-use to registration, the Agreement should be read within the framework of the Lanham Act, including Section 7(b) of the Lanham Act, 15 U.S.C. 1057(b), which provides that “[a] certificate of registration of a mark upon the principal register provided by this Act shall be prima facie evidence of the . . . registrant’s exclusive right to use the registered mark in commerce *on or in connection with the goods or services specified in the certificate . . .*”. 15 U.S.C. 1057(b)(emphasis added).

Basically, Votivo is attempting to circumvent the fact that Votivo does not have a defense based on m.design’s failure to oppose prior applications of the *same mark on different goods* (because this does not constitute a proper defense of estoppel or laches⁴), and that there is no claim or issue preclusion from the previous litigation (*see infra*), by framing its argument as an issue of standing. This Votivo should not be permitted to do, as courts have recognized that the issue of standing is intertwined with the merits of the case. *See, Otto Roth & Co., Inc. v. Universal Foods Corp.*, 209

⁴ The failure of one to oppose prior applications of the *same mark on different goods* does not constitute a defense of estoppel or laches. McCarthy, 20:38, 20-91 (2007) (emphasis in original); *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 160 U.S.P.Q. 715 (CCPA 1969). Votivo’s Mandarinine Reg. No. 2,728,815 recites “skin soap, scented body spray, scented room spray, and incense,” and Reg. No. 2,720,908 recites “candles and tapers.” The goods for which registration is sought in the present case are scented bath salts and scented hand lotion. Since the goods of the present application are not “substantially identical” to those in the Registrations, the defense is inapplicable in the present case.

USPQ 40, 42 (CCPA 1981)(“The concept of *damage* . . . is inextricably tied to the *grounds* upon which the opposer asserts damage.”)(emphasis in original).

Accordingly, contrary to Votivo’s allegation that m.design is an intermeddler, if anything, the two previous litigations between the parties resulting in the Default Judgment, Permanent Injunction and Settlement Agreement prove that m.design has standing in the present opposition. The present case is a text-book example of the reason given by Judge Rich in *DeWalt* for standing by a producer of items listed in the application:

This court, since the earliest days of its jurisdiction over Patent Office appeals, has adhered to the then already established principle that damage to an opposer or injury to a petitioner for cancellation – those being the terms of the old law now replaced in the Lanham Act by “damage” in either situation—will be presumed or inferred when the mark sought to be registered is descriptive of the goods and the opposer or petitioner is one who has a sufficient interest in using the descriptive term in its business. [citing cases]

. . . The evidentiary value of a Principal Register registration under Section 7(b) of the statute makes it a potent weapon in litigation and this, plus the respect in which business [people] hold certificates of Federal registration, makes such a registration an encouragement to suits and other types of harassment which would be much less likely to occur in its absence.

DeWalt, 129 U.S.P.Q. at 280-81.

Votivo also argues that the release of claims in the Settlement Agreement should prevent the present action. However, according to Votivo’s own admission the publication date of the present application (June 5, 2007) was later than the “Effective Date” of the Settlement Agreement (May 5, 2006, according to Votivo). Votivo further admits that the agreement released claims only “up until the EFFECTIVE DATE.” Votivo Memorandum p. 8 (citing paragraph 7 of Ex. 11 to the Edmiston Decl.). Since m.design could have not opposed the present application until it published, the present cause of action was not released by the Settlement Agreement.

Votivo has failed to show that m.design will not be damaged if the term “mandarine” is registered in connection with scented bath salts and scented hand lotion. To the contrary, the evidence supports that registration will damage m.design. Accordingly, m.design respectfully requests that

Votivo's motion for summary judgment that m.design has no standing be denied, and summary judgment be entered in favor of m.design on this issue.

3. Votivo's Res Judicata Arguments Are Frivolous

Starting at page 15 of its Memorandum, Votivo argues that "claim preclusion and issue preclusion prohibit Mine Design from opposing Votivo's Mandarin mark." Both arguments are frivolous.

a. Votivo's Claim Preclusion Argument Is Frivolous Because The Term Mandarin In General, And The Present Application In Particular, Were Not At Issue In The Litigations

Initially, regarding the claim preclusion argument, Votivo fails to explain how the litigations, which were settled in mid-2006, could have involved a claim that did not arise until June 2007, the date the present application published for opposition. Accordingly, Votivo's statement that the litigations addressed the claim is utterly false. As admitted in footnotes 5 and 6 of Votivo's Memorandum, and evidenced by the complaints in the two litigations, the first litigation involved Votivo Registrations for "red currant" and "soku lime" and the second litigation involved "tall grass." Votivo has presented no evidence to support its allegation that the claims herein were part of the prior litigations, and thus has failed to carry its burden of showing that the issue is either true or not genuinely in dispute.

A claim for infringement of the term "mandarine" was not at issue in either litigation, nor was the issue of whether the term can function as a trademark. Moreover the litigations involved scented candles, not scented bath salts or hand lotion, which are the goods at issue in the present application.

b. Long Standing Precedent Holds That District Court Litigation Does Not Bar An Action To Oppose A Registration

Even if the previous District Court litigation had involved the term "mandarine" in connection with scented bath salts or hand lotion, which it didn't, there would be no claim preclusion in an action to oppose the mark before the Board. *See, e.g., Jet Inc. v. Sewage Aeration Systems*, 55 U.S.P.Q.2d 1854, 1859 (Fed. Cir. 2000)("[a] prior trademark infringement action will not, by action of claim

preclusion, bar the subsequent prosecution of a petition for cancellation of the defendant's registered trademark."); *Treadwell's Drifters Inc. v. Marshak*, 18 U.S.P.Q.2d 1318, 1321 (TTAB 1990); *Ever-Dry Corp. v. Consolidated Cosmetics*, 82 U.S.P.Q. 159 (Comr., 1949); *American Velcro, Inc. v. Charles Mayer Studios, Inc.*, 177 U.S.P.Q. 149, 153 n. 5 (TTAB 1973)(equitable defenses of estoppel and laches are not available to a defendant in a proceeding wherein the adverse party is claiming in essence that the mark in question inherently cannot function as a trademark under the statute. (Citing cases.) "The rationale behind these series of cases is that it is within the public interest to have registrations which are void ab initio stricken from the register and that this interest or concern cannot be voided by the inaction of any single person or concern, no matter how long the delay persist.").

Accordingly, pursuant to *Jet* and *Treadwell's Drifters* even if the present application had been part of a claim in the previous District Court infringement litigation between the parties, claim preclusion should not bar m.design from opposing the application before the Board.

c. Votivo's Issue Preclusion Argument Is Frivolous Because No Issues
Were "Actually Litigated" In The District Court Cases

Issue preclusion cannot flow from a default judgment for in a default no issues are actually litigated. See, e.g., *United States Olympic Committee v. Bata Shoe Co.*, 225 U.S.P.Q. 340 (TTAB 1984); *La Fara Importing Co. v. F. Lli de Cecco di Filippo Fara S. Martino S.p.a.*, 8 USQP2d 1143 (TTAB 1988); *Treadwell's Drifters, Inc. v. Marshak*, 18 USPQ2d 1318 (TTAB 1990).

No issues were actually litigated in the District Court cases between the parties. The first case was a Default Judgment, the default having occurred because Mr. Flores, representing himself pro se, allegedly failed to appear for the first scheduling conference. The second case was dismissed with prejudice during the discovery phase. Again, no issues were actually litigated in the case.

In addition, it is impossible that the issue presented herein – whether the U.S. Patent and Trademark Office should allow registration of the present application for the term "mandarine" in connection with scented bath salts and scented hand lotion – could have been litigated in the District Court actions.

Further, it is hornbook law that there can be no issue preclusion when the standard of proof is different between two actions. *See, e.g., Moore's Federal Practice* 3D, 132.02[4][a]-[b][i]. The District Court litigation involved Federal Trademark Registrations, which, pursuant to Section 7(b) of the Lanham Act, 15 U.S.C. 1057(b), are presumed valid. *See, e.g., West Fla. Seafood v. Jet Restaurants*, 31 USPQ2d 1660 (Fed. Cir. 1994)(because a presumption of validity attaches to a registered trademark, the party seeking cancellation must rebut this presumption by a preponderance of the evidence). No such presumption attaches to an application in an opposition proceeding.

Votivo has presented no evidence to support its allegation that the issues herein were actually litigated, and thus has failed to carry its burden of showing that the issue is either true or not genuinely in dispute.

Accordingly, Votivo's motion for summary judgment on the issue of res judicata should be denied, and summary judgment should be entered in favor of m.design.

IV. Conclusion

For the foregoing reasons, m.design's motion for summary judgment should be granted and Votivo's motion for summary judgment should be denied.

Dated: April 1, 2008

Respectfully submitted,



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Certificate of Mailing

I hereby certify that a true and complete copy of the foregoing "Plaintiff mine design's Combined 1) Reply To Votivo's Opposition To mine design's Motion for Summary Judgment and 2) Opposition to Votivo's Cross Motion For Summary Judgment," has been served on Votivo, Ltd. And Votivo LLC by mailing said copy on April 1, 2008, via Express Mail Label No. EQ 641423901 US, postage prepaid, to counsel for Votivo, Ltd. And Votivo LLC at:

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